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ACTION AF-01

INFO	LOG-00	AID-01	CEA-01	CIAE-00	CTME-00	C-01	OASY-00
	DODE-00	ITCE-00	EB-01	EXME-00	EUR-01	E-01	FRB-01
	HA-09	H-01	TEDE-00	INR-00	ITC-01	LAB-01	L-01
	ADS-00	NSAE-00	NSCE-00	OMB-01	OPIC-01	SIL-00	SNP-00
	SP-00	SS-00	STR-01	TRSE-00	USIE-00	/024W	

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R 170717Z FEB 94
FM AMEMBASSY KIGALI
TO SECSTATE WASHDC 5745
INFO USDOC WASHDC
AMEMBASSY BUJUMBURA
AMEMBASSY BRUSSELS
AMEMBASSY DAR ES SALAAM
AMEMBASSY KAMPALA
AMEMBASSY KINSHASA
AMEMBASSY NAIROBI
AMEMBASSY PARIS
USDAO YAOUNDE

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DEPT FOR AF/C , AF/RA, AND EB

E.O. 12356:N/A
TAGS: ECON, ELAB, ETRD, PINR, EAID, RW
SUBJECT: RWANDAN STRIKE UPDATE

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1. SUMMARY. THE RWANDAN UTILITY COMPANY, ELECTROGAZ,
FIRES STRIKING DAY WORKERS; COMPANY FEARS VIOLENT
REPRISALS AT UTILITY FACILITIES. SUGAR WORKERS ON STRIKE
OVER MINISTER OF COMMERCE'S DECISION TO CHARGE THEM
MARKET VERSUS CONCESSIONAL PRICE FOR SUGAR. SCHOOL
TEACHERS FOLLOW THROUGH ON THEIR THREAT TO STRIKE BY THE
FIFTH OF EACH MONTH UNTIL THEY GET PAID THEIR PREVIOUS
MONTH'S SALARY. WORKERS AT THE NOW BANKRUPT SAVINGS BANK
OF RWANDA ARE DEMANDING A GOVERNMENT GUARANTEE FOR

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L. MILLS
DATE/CASE ID: 20 NOV 2002 200003723

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PAYMENT OF 36 MONTHS OF SEVERANCE PAY. INCREASED STRIKE ACTIVITY REFLECTS GROWING WORKER ANXIETY OVER JOB AND FINANCIAL SECURITY IN A STALEMATED POLITICAL SITUATION AND DETERIORATING ECONOMIC CLIMATE. END SUMMARY.,

STRIKING UTILITY WORKERS FIRED BY ELECTROGAZ

2. APPROXIMATELY 400 DAY LABORERS AND TECHNICIANS FROM ELECTROGAZ (RWANDA'S WATER, ELECTRICITY, AND GAS UTILITY) WENT ON STRIKE ON JANUARY 11, 1994, DEMANDING PAYMENT OF THEIR SALARIES AND REIMBURSEMENT FOR UTILITY AND MEDICAL EXPENSES (COVERED IN THEIR SALARY PACKAGE). LACKING ANY LABOR UNION NEGOTIATING MUSCLE, THE STRIKING WORKERS TURNED VIOLENT ON JANUARY 12 AND 13, DESTROYING EQUIPMENT AT SEVERAL WATER AND ELECTRICITY INSTALLATIONS IN AN EFFORT TO FORCE ELECTROGAZ TO NEGOTIATE WITH THEM. INSTEAD ON JANUARY 14, ELECTROGAZ FIRED ALL ITS DAY LABORERS (EVEN THOSE NOT INVOLVED IN THE STRIKE) AND HIRED NEW ONES; BUT PAID THE SALARIES OF THE TECHNICIANS ON STRIKE. THE GOVERNMENT, RECOGNIZING THE WORKERS' LEGAL RIGHT TO STRIKE, INTERVENED TO PREVENT FURTHER
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DAMAGE TO UTILITY EQUIPMENT AND PROMISED TO PAY THE UNPAID SALARIES OF ALL FIRED WORKERS. TO DATE, THESE WORKERS HAVE NOT BEEN PAID; ELECTROGAZ OFFICIALS ARE CONCERNED ABOUT MORE VIOLENCE AT THEIR FACILITIES.

SUGAR REFINERY WORKERS PROTEST CHANGE IN PRICE OF SUGAR

3. WORKERS AT THE GOVERNMENT OWNED SUGAR PLANT IN KABUYE, ON THE OUTSKIRTS OF KIGALI, HAVE BEEN ON STRIKE SINCE DECEMBER 1993. THE WORKERS AT THE PLANT ARE PROTESTING THE MINISTER OF COMMERCE'S DIRECTIVE TO CHARGE PLANT EMPLOYEES THE MARKET PRICE FOR SUGAR RATHER THAN THE CONCESSIONAL RATE THEY WERE PREVIOUSLY CHARGED. ALTHOUGH NO CONCESSIONS WERE MADE BY THE GOVERNMENT, HALF OF THE WORKERS RETURNED TO WORK IN EARLY FEBRUARY. THE GOVERNMENT, HAVING DECLARED THE STRIKE ILLEGAL, HAS SAID IT DOES NOT PLAN TO NEGOTIATE WITH THOSE STILL ON THE PICKET LINE.

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SCHOOL TEACHERS VOW TO STRIKE MONTHLY UNTIL THEY'RE PAID

4. IN DECEMBER 1993, THE PRIMARY AND SECONDARY SCHOOL
TEACHERS UNION, WITH THE SUPPORT OF THE CESTRAR LABOR
UNION, SAID TEACHERS WOULD GO ON STRIKE ANYTIME THEY DID
NOT RECEIVE THEIR SALARIES BY THE 5TH OF THE FOLLOWING
MONTH. IN JANUARY, THEREFORE, TEACHERS THROUGHOUT RWANDA
WERE LEGALLY ON STRIKE FOR TWO WEEKS UNTIL THE
GOVERNMENT FINALLY PAID THEM. THIS MONTH, ONLY PRIMARY
SCHOOL TEACHERS IN GIKONGORO AND KIBUNGO WERE NOT PAID
AND HAVE BEEN ON STRIKE SINCE THE FIRST WEEK OF

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FEBRUARY. THEY SAID THEY WILL STAY ON STRIKE UNTIL THEY
RECEIVE THEIR SALARIES FOR JANUARY.

BANK WORKERS STRIKE; DEPOSITORS DEMAND SETTLEMENT

5. GOVERNMENT WORKERS AT THE CAISSE D'EMPARGNE, A
GOVERNMENT-OWED SAVINGS BANK, HAVE BEEN ON STRIKE
SIHCB DECEMBER 2, 1993. IN LATE NOVEMBER, THE BANK WAS
DECLARED OFFICIALLY BANKRUPT. HIGH RANKING MILITARY AND

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AMEMBASSY BUJUMBURA

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AMEMBASSY BRUSSELS
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GOVERNMENT OFFICIALS WITH SIZABLE DEPOSITS IN THE BANK
PRESSURED THE MINISTER OF FINANCE TO GUARANTEE THE
AMOUNTS IN EACH SAVINGS ACCOUNT AT THE BANK. AFTER THE
GOVERNMENT TRANSFERRED MONIES TO THE BANK, DEPOSITORS
WERE ABLE TO WITHDRAW THEIR MONEY FROM THEIR ACCOUNTS
ONLY DURING TME LAST WEEK IN NOVEMBER.

6. THE FOLLOWING WEEK, BANK WORKERS LEGALLY WENT ON
STRIKE, WITH THE SUPPORT OF THE CESTRAR LABOR UNION.
THE STRIKING EMPLOYEES STATED THAT DEPOSITORS WOULD NOT
BE ABLE TO RECOVER THE REST OF THEIR MONEY UNTIL THE
GOVERNMENT GUARANTEED THEM 36 MONTHS SEVERANCE PAY.
BANK WORKERS ARE HOPING THAT PRESSURE ON THE GOVERNMENT
FROM THE CESTRAR LABOR UNION AND DEPOSITORS WHO ARE
ANXIOUS TO RETRIEVE THEIR MONEY WILL FORCE A SETTLEMENT
IN THEIR FAVOR. THE MINISTER OF FINANCE, HOWEVER, HAS
SAID ONLY THE TRANSITION GOVERNMENT WILL BE ABLE TO
RESOLVE THE DISPUTE.

COMMENT

7. THE GOVERNMENT EMPLOYS ALMOST 75 PERCENT OF ALL
WORKERS IN THE FORMAL SECTOR, YET DOES NOT HAVE THE
FINANCIAL RESOURCES TO ENSURE THAT THEIR SALARIES GET
PAID FROM MONTH TO MONTH. CONSEQUENTLY, WORKER ANXIETY

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ABOUT JOB AND FINANCIAL SECURITY IS HIGH AT THE MOMENT.
STRIKE ACTIVITY CAN BE EXPECTED TO INCREASE IF THE
GOVERNMENT'S CURRENT BUDGETARY PROBLEMS ARE NOT
ADDRESSED SOON. LABOR UNREST MAY ALSO OFFER FERTILE
GROUND FOR UNSCRUPULOUS POLITICAL AGITATORS WHO WILL
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TRY TO EXPLOIT THE GENERAL UNEASE FOR POLITICAL
PURPOSES, HEIGHTENING EXISTING TENSIONS AND
DESTABILIZING THE SECURITY SITUATION. RAWSON

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